



The President's Daily Brief

~~*Top Secret*~~ 2 August 1967



50X1

DAILY BRIEF
2 AUGUST 1967

1. Communist China

Peking has now "pardoned" the defiant military commander of the troublesome and important Wuhan military district.

50X1

Only a few days before, Peking had ordered country-wide demonstrations against the officer.

This back-pedaling looks like a serious reverse for Mao and Lin, and will probably encourage other malcontented regional commanders. Such officers picked up unexpected support yesterday when Red Star, the Soviet military journal, urged them on by saying that the Chinese army has been deceived by Mao and his followers. The article cites the Wuhan events as proof that "not all of the army is under the control of the Mao group."

2. North Vietnam

The need for more skilled administrators and technicians has led Hanoi to reverse the policy it had been applying to members of the former middle class. These "bourgeois" elements, who had been denied responsible jobs for some years, are now to be "allotted positions suitable to their capacity"--and paid accordingly.

50X1

50X1

50X1

3. Indonesia

Suharto, sensitive to civilian criticism of the army's political role, has abolished some of the more obvious instruments of military control. He has hardly sold out to the civilians, however; the army still holds the presidency, the cabinet chairmanship, a third of the portfolios, two-thirds of the governorships, half of the ambassadorships, and a good half of the lesser plums.

4. Cuba

The 1967 sugar harvest has been officially completed. Although it was the third largest harvest ever--over six million tons--it was below Cuban expectations. It will not cover Havana's commitments under barter agreements with Communist countries.

The Soviet Union will probably again let the Cubans--who owe a million tons on last year's agreement--off the hook, but the East European countries will be more hard-nosed. This may explain why Havana actually imported sugar from Mexico recently

50X1

5. Algeria

50X1

50X1

Top Secret